

## EXHIBIT A

**UNDERWRITING GUIDE****3. Illinois Workers Compensation IRPM Plan**

This premium modification plan may be used to recognize those special characteristics of an Illinois Workers' Compensation risk that are not fully reflected in the basic premium or rates.

- The total credits or debits under the following table may not exceed  $\pm 70\%$ .

**MODIFICATION SCHEDULE**

Risk Characteristics	Range of Modifications		
	Credits		Debit
1. Premises - Upkeep, condition .....	20%	to	30%
2. Classification Peculiarities .....	15%	to	30%
3. Medical Facilities .....	10%	to	30%
4. Safety Devices .....	10%	to	30%
5. Employees - Selection, training, supervision and experience .....	20%	to	30%
6. Management .....	10%	to	30%

- This plan is applicable to any insured that is experience rated, or develops an annual premium of \$750 or more, effective January 1, 1981, on new and renewal policies. Outstanding policies may be adjusted effective January 1, 1981, to reflect a schedule credit.
- The amount of schedule credit or debit shall be applied to an experience rated risk in a multiplicative manner, after application of the experience modification.
- There shall be an annual report to the National Council on Compensation Insurance illustrating the total dollar amount of scheduled debits and the total dollar amount of scheduled credits.
- All statistical reporting on policies effective January 1, 1981, and thereafter reported to the National Council on Compensation Insurance or other statistical agents shall not include the effect of this schedule rating plan (report at Council rate level). This includes, but is limited to, premiums reported on the Unit Statistical Plan, Policy-Year Premiums, Calendar-Accident Year Premiums and Calendar-Year Premiums.

The Illinois Department of Insurance will require all insurance companies to comply with the following:

- All schedule debits and all schedule credits shall be based on evidence that is contained in the file at the time the schedule debit or credit is applied.
- The effective date of any schedule debit or credit shall not be any date prior to the receipt in the insurer's office of the evidence supporting the debit or credit.
- The derivation of the schedule factor must be made available to the insured upon request. To the degree that the insured can correct the reason for any schedule debit to the satisfaction of the insurer, the debit may be removed effective the date the documentation for the correction is received in the insurer's office.

**4. Special Conditions**

This plan shall be applied after the application of all other rating procedures.

DEPARTMENT OF INSURANCE  
STATE OF ILLINOIS  
FILED

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SPRINGFIELD, IL